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8 *Liaison Counsel for Plaintiff*

9 **UNITED STATES DISTRICT COURT**
10 **DISTRICT OF NEVADA**

11 MAC COSTAS, Individually and on behalf of all
12 others similarly situated,

13 Plaintiff,

14 vs.

15 ORMAT TECHNOLOGIES, INC.,
16 ISAAC ANGEL, and DORON BLACHAR,

17 Defendants.

Case No.:

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

18
19 Plaintiff Mac Costas ("Plaintiff"), individually and on behalf of all other persons similarly
20 situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants (defined
21 below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts,
22 and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by
23 and through Plaintiff's attorneys, which included, among other things, a review of the Defendants'
24 public documents, conference calls and announcements made by Defendants, United States Securities
25 and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Ormat
26 Technologies, Inc. ("Ormat" or the "Company"), analysts' reports and advisories about the Company,
27 and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support
28 will exist for the allegations set forth herein after a reasonable opportunity for discovery.

Class Action Complaint For Violations of the Federal Securities Laws

NATURE OF THE ACTION

1
2 1. This is a federal securities class action on behalf of a class consisting of all persons and
3 entities, other than Defendants, who purchased or otherwise acquired the publicly traded securities of
4 Ormat between August 8, 2017 and May 15, 2018, both dates inclusive (the "Class Period"). Plaintiff
5 seeks to recover compensable damages caused by Defendants' violations of the federal securities laws
6 and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the
7 "Exchange Act") and Rule 10b-5 promulgated thereunder.

JURISDICTION AND VENUE

8 2. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the
9 Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC
10 (17 C.F.R. §240.10b-5).

11 3. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §1331
12 and §27 of the Exchange Act.

13 4. Venue is proper in this District pursuant to §27 of the Exchange Act (15 U.S.C. §78aa)
14 and 28 U.S.C. §1391(b) as the Company is headquartered in this District.

15 5. In connection with the acts, conduct and other wrongs alleged in this Complaint,
16 Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce,
17 including but not limited to, the United States mail, interstate telephone communications and the
18 facilities of the national securities exchange.

PARTIES

19 6. Plaintiff, as set forth in the accompanying Certification, purchased Ormat securities at
20 artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged
21 corrective disclosures.

22 7. Defendant Ormat engages in the geothermal and recovered energy power business
23 worldwide. The Company is incorporated in Delaware and its principal executive offices are located at
24 6225 Neil Road, Reno, Nevada. Ormat's common stock is traded on the New York Stock Exchange
25 ("NYSE") under the ticker symbol "ORA."

26 8. Defendant Isaac Angel ("Angel") has been the Chief Executive Officer of Ormat since
27 July 1, 2014.
28

9. Defendant Doron Blachar ("Blachar") has been the Chief Financial Officer of Ormat since April 2, 2013.

10. Defendants Angel and Blachar are sometimes referred to herein as the “Individual Defendants.”

11. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company's internal controls;
- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

12. The Company and the Individual Defendants are collectively referred to herein as the “Defendants.”

BACKGROUND

13. On March 1, 2017, the Company filed a Form 10-K for the fiscal year ended December 31, 2016 (the "2016 10-K") with the SEC, which provided the Company's year-end financial results and position and stated that the Company's internal control over financial reporting and disclosure controls and procedures were effective as of December 31, 2016. The 2016 10-K was signed by Defendants Angel and Blachar. The 2016 10-K also contained signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX") by Defendants Angel and Blachar attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal controls over financial reporting, and the disclosure of all fraud.

1 14. On May 9, 2017, the Company filed a Form 10-Q for the quarter ended March 31, 2017
2 (the "1Q 2017 10-Q") with the SEC, which provided the Company's first quarter 2017 financial results
3 and position. The 1Q 2017 10-Q stated that the Company's disclosure controls and procedures were
4 effective as of March 31, 2017, and that "[t]here were no changes in our internal controls over financial
5 reporting in the first quarter of 2017 that have materially affected or are reasonably likely to materially
6 affect our internal controls over financial reporting." The 1Q 2017 10-Q was signed by Defendant
7 Blachar. The 1Q 2017 10-Q contained signed SOX certifications by Defendants Angel and Blachar
8 attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's
9 internal controls over financial reporting, and the disclosure of all fraud.

10 15. Accordingly, Ormat's internal control over financial reporting and disclosure controls
11 and procedures were effective as of March 31, 2017.

12 SUBSTANTIVE ALLEGATIONS

13 Materially False and Misleading Statements and/or Omissions

14 16. On August 8, 2017, the Company filed a Form 10-Q for the quarter ended June 30, 2017
15 (the "2Q 2017 10-Q") with the SEC, which provided the Company's second quarter 2017 financial
16 results and position. The 2Q 2017 10-Q stated that the Company's disclosure controls and procedures
17 were effective as of June 30, 2017, and that "[t]here were no changes in our internal controls over
18 financial reporting in the second quarter of 2017 that have materially affected or are reasonably likely
19 to materially affect our internal controls over financial reporting." The 2Q 2017 10-Q was signed by
20 Defendant Blachar. The 2Q 2017 10-Q contained signed SOX certifications by Defendants Angel and
21 Blachar attesting to the accuracy of financial reporting, the disclosure of any material changes to the
22 Company's internal controls over financial reporting, and the disclosure of all fraud.

23 17. The 2Q 2017 10-Q stated the following concerning Ormat's income tax (provision)
24 benefit, net income, and earnings per share for the three months and six months ended June 30, 2017:
25
26
27
28

ORVIAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Revenues:				
Electricity	\$ 111,777	\$ 104,001	\$ 227,553	\$ 211,869
Product	67,587	55,860	141,709	99,586
Total revenues	<u>179,364</u>	<u>159,861</u>	<u>369,262</u>	<u>311,455</u>
Cost of sales				
	* * *			
Income tax (provision) benefit	(6,369)	(7,890)	(17,255)	(17,399)
Equity in losses of investees, net	(428)	(1,144)	(2,027)	(2,081)
Income from continuing operations	<u>38,242</u>	<u>24,933</u>	<u>77,977</u>	<u>55,878</u>
Net income attributable to noncontrolling interest	(3,206)	(584)	(7,629)	(2,258)
Net income attributable to the Company's stockholders	<u>\$ 35,036</u>	<u>\$ 24,349</u>	<u>\$ 70,348</u>	<u>\$ 53,620</u>
Comprehensive income:				
Net income	<u>38,242</u>	<u>24,933</u>	<u>77,977</u>	<u>55,878</u>
Other comprehensive income (loss), net of related taxes:				
Change in foreign currency translation adjustments	1,461	—	1,539	—
Change in unrealized gains or losses in respect of the Company's share in derivatives instruments of unconsolidated investment	(916)	(1,987)	(347)	(5,166)
Loss in respect of derivative instruments designated for cash flow hedge	20	22	42	43
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge	(15)	(24)	(39)	(48)
Comprehensive income	<u>38,792</u>	<u>22,944</u>	<u>79,172</u>	<u>50,707</u>
Comprehensive income attributable to noncontrolling interest	(3,613)	(584)	(8,025)	(2,258)
Comprehensive income attributable to the Company's stockholders	<u>\$ 35,179</u>	<u>\$ 22,360</u>	<u>\$ 71,147</u>	<u>\$ 48,449</u>
Earnings per share attributable to the Company's stockholders:				
Basic:				
Net income	<u>\$ 0.70</u>	<u>\$ 0.49</u>	<u>\$ 1.41</u>	<u>\$ 1.09</u>
Diluted:				
Net income	<u>\$ 0.69</u>	<u>\$ 0.49</u>	<u>\$ 1.39</u>	<u>\$ 1.07</u>
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic:	<u>49,771</u>	<u>49,456</u>	<u>49,726</u>	<u>49,314</u>
Diluted:	<u>50,624</u>	<u>50,137</u>	<u>50,559</u>	<u>49,977</u>
Dividend per share declared	<u>\$ 0.08</u>	<u>\$ 0.07</u>	<u>\$ 0.25</u>	<u>\$ 0.36</u>

Class Action Complaint For Violations of the Federal Securities Laws

18. The 2Q 2017 10-Q stated the following concerning Ormat's deferred income taxes for the period ended June 30, 2017:

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)			June 30, 2017	December 31, 2016
			(Dollars in thousands)	
ASSETS				
Current assets:				
Cash and cash equivalents			\$ 118,390	\$ 230,214
Restricted cash and cash equivalents (primarily related to VIEs)			49,510	34,262
Receivables:				
			----	----
	*	*	*	
Deferred lease income			53,036	54,561
Deferred income taxes			44,113	35,382
Liability for unrecognized tax benefits			6,015	5,738
Liabilities for severance pay			21,025	18,600
Asset retirement obligation			24,267	23,348
Other long-term liabilities			22,823	21,294

19. On November 9, 2017, the Company filed a Form 10-Q for the quarter ended September 30, 2017 (the "3Q 2017 10-Q") with the SEC, which provided the Company's third quarter 2017 financial results and position. The 3Q 2017 10-Q stated that the Company's disclosure controls and procedures were effective as of September 30, 2017, and that "[t]here were no changes in our internal controls over financial reporting in the third quarter of 2017 that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting." The 3Q 2017 10-Q was signed by Defendant Blachar. The 3Q 2017 10-Q contained signed SOX certifications by Defendants Angel and Blachar attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal controls over financial reporting, and the disclosure of all fraud.

20. The 3Q 2017 10-Q stated the following concerning Ormat's income tax provision, net income, and earnings per share for the three months and nine months ended September 30, 2017:

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(Dollars in thousands, except per share data)		(Dollars in thousands, except per share data)	
Revenues:				
Electricity	\$ 112,373	\$ 108,795	\$ 339,826	\$ 321,664
Product	44,912	74,822	186,621	174,408
Total revenues	157,185	184,617	526,447	496,072
	*	*	*	
Income tax provision	(11,003)	(11,988)	(28,258)	(29,387)
Equity in earnings (losses) of investees, net	337	(2,653)	(1,690)	(4,734)
Income from continuing operations	22,780	14,406	100,757	70,284
Net income attributable to noncontrolling interest	(3,599)	(2,326)	(11,225)	(4,584)
Net income attributable to the Company's stockholders	\$ 19,181	\$ 12,080	\$ 89,532	\$ 65,700
Comprehensive income:				
Net income	22,780	14,406	100,757	70,284
Other comprehensive income (loss), net of related taxes:				
Change in foreign currency translation adjustments	1,065	—	2,544	—
Change in unrealized gains or losses in respect of the Company's share in derivatives instruments of unconsolidated investment	618	1,337	271	(3,829)
Loss in respect of derivative instruments designated for cash flow hedge	20	22	62	65
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge	(18)	(24)	(57)	(72)
Comprehensive income	24,405	15,741	103,577	66,448
Comprehensive income attributable to noncontrolling interest	(4,066)	(2,326)	(11,930)	(4,584)
Comprehensive income attributable to the Company's stockholders	\$ 20,339	\$ 13,415	\$ 91,647	\$ 61,864
Earnings per share attributable to the Company's stockholders:				
Basic:				
Net income	\$ 0.38	\$ 0.24	\$ 1.79	\$ 1.33
Diluted:				
Net income	\$ 0.38	\$ 0.24	\$ 1.77	\$ 1.31
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:				
Basic	50,367	49,599	49,942	49,410
Diluted	50,867	50,289	50,669	50,097
Dividend per share declared	\$ 0.08	\$ 0.07	\$ 0.33	\$ 0.45

21. The 3Q 2017 10-Q stated the following concerning Ormat's deferred income taxes for the period ended September 30, 2017:

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2017	December 31, 2016
	(Dollars in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 77,212	\$ 230,214
Restricted cash and cash equivalents (primarily related to VIEs)	42,559	34,262
	**	**
Liability associated with sale of tax benefits	46,603	54,662
Deferred lease income	52,273	54,561
Deferred income taxes	54,495	35,382
Liability for unrecognized tax benefits	6,188	5,738
Liabilities for severance pay	20,364	18,600
Asset retirement obligation	24,740	23,348
Other long-term liabilities	19,121	21,294
Total liabilities	1,239,812	1,286,790
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interest	6,451	4,772

22. On March 16, 2018, the Company filed a Form 10-K for the fiscal year ended December 31, 2017 (the "2017 10-K") with the SEC, which provided the Company's year-end financial results and position. The 2017 10-K was signed by Defendants Angel and Blachar. The 2017 10-K also contained signed SOX certifications by Defendants Angel and Blachar attesting to the accuracy of financial reporting, the disclosure of any material changes to the Company's internal controls over financial reporting, and the disclosure of all fraud.

23. The 2017 10-K stated the following concerning Ormat's income tax (provision) benefit, net income, and earnings per share for the period ended December 31, 2017:

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
	2017	2016	2015
	(Dollars in thousands, except per share data)		
Revenues:			
Electricity	\$ 468,329	\$ 436,292	\$ 375,920
Product	224,483	226,299	218,724
Total revenues	692,812	662,591	594,644
Income from continuing operations before income taxes and equity in losses of investees	170,739	141,088	113,599
Income tax (provision) benefit	1,411	(31,837)	15,238
Equity in earnings (losses) of investees, net	(1,957)	(7,193)	(5,708)
Income from continuing operations	170,184	101,516	123,349
Net income attributable to noncontrolling interest	(14,695)	(7,586)	(3,776)
Net income attributable to the Company's stockholders	\$ 155,489	\$ 93,930	\$ 119,573
Comprehensive income:			
Net income	170,184	101,516	123,349
Other comprehensive income (loss), net of related taxes:			
Currency translation adjustments	3,440	(1,648)	—
Change in unrealized gains or losses in respect of the Company's share in derivatives instruments of unconsolidated investment	804	1,135	1,023
Loss in respect of derivative instruments designated for cash flow hedge	84	87	91
Amortization of unrealized gains in respect of derivative instruments designated for cash flow hedge	(73)	(56)	(116)
Comprehensive income	174,439	101,044	124,350
Comprehensive income attributable to noncontrolling interest	(15,532)	(7,179)	(3,776)
Comprehensive income attributable to the Company's stockholders	\$ 158,907	\$ 93,865	\$ 120,574
Earnings per share attributable to the Company's stockholders:			
Basic:			
Net income	\$ 3.10	\$ 1.50	\$ 2.46
Diluted:			
Net income	\$ 3.06	\$ 1.87	\$ 2.43
Weighted average number of shares used in computation of earnings per share attributable to the Company's stockholders:			
Basic	50,110	49,469	48,562
Diluted	50,769	50,140	49,187
Dividend per share declared	\$ 0.41	\$ 0.52	\$ 0.26

24. The 2017 10-K stated the following concerning Ormat's deferred income taxes for the period ended December 31, 2017:

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2017	2016
	(Dollars in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 47,518	\$ 390,214
Restricted cash and cash equivalents (primarily related to VIEs)	45,825	24,262
Receivables:		
Trade	110,410	80,807
Other	13,828	17,482
Inventories	19,551	12,000
Costs and estimated earnings in excess of billings on uncompleted contracts	40,945	52,198
Prepaid expenses and other	46,269	45,867
Total current assets	321,645	472,830
Investment in an unconsolidated company	34,084	—
Deposits and other	21,589	18,555
Deferred income taxes	20,135	—
Deferred charges	49,524	45,773

25. The statements referenced in ¶¶16-24 above were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operational and financial results, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) there were errors in the income tax provision primarily relating to Ormat's valuation allowance based on its ability to utilize foreign tax credits in the U.S. prior to their expiration; (2) Ormat netted certain deferred income tax assets and deferred income tax liabilities across different tax jurisdictions that are not permitted to be netted pursuant to United States generally accepted accounting principles; (3) Ormat's internal controls over financial reporting were ineffective during the Class Period; (4) due to the foregoing, Ormat would need to restate its second, third and fourth quarter 2017 financial statements and its full-year 2017 financial statements; and (5) as a result, Defendants' statements about the Company's business, operations and prospects were materially false and misleading and/or lacked a reasonable bases at all relevant times.

THE TRUTH EMERGES

26. On May 11, 2018, Ormat disclosed that its delaying the filing of its Quarterly Report for the period ended March 31, 2018 with the SEC because "management has identified an error in the Company's financial statement presentation of deferred income tax assets and deferred income tax liabilities that affects the Company's balance sheets in previous reporting periods." Ormat further disclosed that "[t]he Company is evaluating the impact of this error on its consolidated financial statements and the extent to which the Company's annual and quarterly consolidated financial statements filed in previous periods require revision or amendment," stating in relevant part:

Ormat Technologies, Inc. (the "Company") has determined that it is not able to file its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 (the "Q1 Form 10-Q") within the prescribed time period without unreasonable effort or expense for the reasons described below. The Company's management has identified an error in the Company's financial statement presentation of deferred income tax assets and deferred income tax liabilities that affects the Company's balance sheets in previous reporting periods. Specifically, the Company netted certain deferred income tax assets and deferred income tax liabilities across different tax jurisdictions that are not permitted to be netted pursuant to United States generally accepted accounting principles. The Company is evaluating the impact of this error on its consolidated financial statements and the extent to which the Company's annual and quarterly consolidated financial statements filed in

1 previous periods require revision or amendment. Further, the Company is in the process
 2 of evaluating the control implications of this error as it relates to the material weakness
 3 disclosures previously made in the Annual Report on Form 10-K for the year ended
 4 December 31, 2017.

5 The Company expects to file the Q1 Form 10-Q on or before May 15, 2018, the
 6 prescribed due date under the five calendar day extension provided under Rule 12b-25(b)
 7 under the Securities Exchange Act of 1934, as amended.

8 27. On this news, Ormat's stock fell \$3.58 per share, or over 6%, over two consecutive
 9 trading days to close at \$52.77 per share on May 14, 2018.

10 28. Then, on May 16, 2018, Ormat revealed that "it will restate its second, third and fourth
 11 quarter 2017 financial statements and its full-year 2017 financial statements," and therefore, "investors
 12 should no longer rely upon the Company's previously issued financial statements for the periods set
 13 forth above, earnings releases for these periods, and other communications relating to these financial
 14 statements," stating in relevant part:

15 **Ormat Announces That It Will Restate Its Second, Third and Fourth
 16 Quarter and Full-Year 2017 Financial Statements; Announces Delay in
 17 Filing Its First Quarter 2018 Financial Statements**

18 *May 16, 2018 01:36 ET* | Source: Ormat Technologies, Inc.

19 RENO, May 16, 2018 (GLOBE NEWSWIRE) -- Ormat Technologies Inc.
 20 (NYSE:ORA) announced today that it will restate its second, third and fourth
 21 quarter 2017 financial statements and its full-year 2017 financial statements. This
 22 decision was approved by, and with the continuing oversight of, the Company's
 23 Board of Directors upon the recommendation of its Audit Committee.

24 As a result of the restatement, investors should no longer rely upon the
 25 Company's previously issued financial statements for the periods set forth above,
 26 earnings releases for these periods, and other communications relating to these
 27 financial statements. In addition, the Company is further delaying the filing of the
 28 quarterly report on Form 10-Q for its first quarter of 2018 with the Securities and
 Exchange Commission.

The decision to restate these financial statements is based on the Company's
 conclusion that there were errors in the income tax provision primarily relating to
 the Company's valuation allowance based on the Company's ability to utilize
 foreign tax credits in the U.S. prior to their expiration. Additionally, the Company
 netted certain deferred income tax assets and deferred income tax liabilities across
 different tax jurisdictions that are not permitted to be netted pursuant to United

1 States generally accepted accounting principles. The restatement is expected to
 2 impact the “income tax (provision) benefit” line item in the Company’s
 3 statements of operations, with associated impacts to net income and earnings per
 4 share and the “deferred income taxes” line items on its balance sheet. In
 5 connection with the restatement of the full-year 2017 financial statements, the
 6 Company will also make revisions to the same line items in certain quarterly
 7 financial statements for 2016 and its full-year 2016 and 2015 financial statements.

8 Although the Company cannot at this time estimate when it will complete the
 9 restatement and refile its restated financial statements and its Form 10-Q for the
 10 first quarter of 2018, it is diligently pursuing completion of the restatement and
 11 intends to file the Form 10-Q as soon as reasonably practicable. Because the
 12 Company has not yet fully completed its review, the impact of the restatement
 13 described above is preliminary and subject to change.

14 As previously reported, the Company identified a material weakness in its internal
 15 control over financial reporting related to accounting for income taxes.
 16 Management, with the oversight of the Audit Committee and the Board of
 17 Directors, continues to dedicate significant resources and efforts to improve the
 18 Company’s control environment and take steps to address the material
 19 weakness identified. These efforts are intended both to address the identified
 20 material weakness and to enhance the Company’s overall financial control
 21 environment.

22 29. On this news, Ormat’s stock fell \$0.67 per share from its previous closing price to close
 23 at \$52.35 per share on May 16, 2018.

24 30. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in
 25 the market value of the Company’s securities, Plaintiff and other Class members have suffered
 26 significant losses and damages.

27 CLASS ACTION ALLEGATIONS

28 31. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure
 29 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired the
 30 publicly traded securities of Ormat during the Class Period (the “Class”), and were damaged upon the
 31 revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the
 32 officers and directors of the Company, at all relevant times, members of their immediate families and
 33 their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had
 34 a controlling interest.

1 32. The members of the Class are so numerous that joinder of all members is impracticable.
2 Throughout the Class Period, the Company's securities were actively traded on NYSE. While the exact
3 number of Class members is unknown to Plaintiff at this time and can be ascertained only through
4 appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the
5 proposed Class. Record owners and other members of the Class may be identified from records
6 maintained by the Company or its transfer agent and may be notified of the pendency of this action by
7 mail, using the form of notice similar to that customarily used in securities class actions.

8 33. Plaintiff's claims are typical of the claims of the members of the Class as all members of
9 the Class are similarly affected by Defendants' wrongful conduct in violation of the federal laws that
10 are complained of herein.

11 34. Plaintiff will fairly and adequately protect the interests of the members of the Class and
12 has retained counsel competent and experienced in class and securities litigation. Plaintiff has no
13 interests antagonistic to or in conflict with those of the Class.

14 35. Common questions of law and fact exist as to all members of the Class and predominate
15 over any questions solely affecting individual members of the Class. Among the questions of law and
16 fact common to the Class are:

- 17 a. whether Defendants' acts as alleged herein violated the federal securities laws;
- 18 b. whether Defendants' statements to the investing public during the Class Period
19 misrepresented material facts about the financial condition, business, operations, and
20 management of the Company;
- 21 c. whether Defendants' statements to the investing public during the Class Period omitted
22 material facts necessary to make the statements made, in light of the circumstances under
23 which they were made, not misleading;
- 24 d. whether the Individual Defendants caused the Company to issue false and misleading SEC
25 filings and public statements during the Class Period;
- 26 e. whether Defendants acted knowingly or recklessly in issuing false and misleading SEC
27 filings and public statements during the Class Period;
- 28 f. whether the prices of the Company's securities during the Class Period were artificially
inflated because of the Defendants' conduct complained of herein; and

1 g. whether the members of the Class have sustained damages and, if so, what is the proper
2 measure of damages.

3 36. A class action is superior to all other available methods for the fair and efficient
4 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
5 damages suffered by individual Class members may be relatively small, the expense and burden of
6 individual litigation make it impossible for members of the Class to individually redress the wrongs
7 done to them. There will be no difficulty in the management of this action as a class action.

8 37. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-
9 the-market doctrine in that:

10 a. Defendants' made public misrepresentations or failed to disclose material facts during the
11 Class Period;

12 b. the omissions and misrepresentations were material;

13 c. the Company's securities are traded in efficient markets;

14 d. the Company's securities were liquid and traded with moderate to heavy volume during the
15 Class Period;

16 e. the Company traded on NYSE, and was covered by multiple analysts;

17 f. the misrepresentations and omissions alleged would tend to induce a reasonable investor to
18 misjudge the value of the Company's securities;

19 g. Plaintiff and members of the Class purchased the Company's securities between the time the
20 Defendants failed to disclose or misrepresented material facts and the time the true facts
21 were disclosed, without knowledge of the omitted or misrepresented facts; and

22 h. unexpected material news about the Company was rapidly reflected in and incorporated into
23 the Company's stock price during the Class Period.

24 38. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a
25 presumption of reliance upon the integrity of the market.

26 39. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of
27 reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United*
28 *States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class
Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

Violation of Section 10(b) of The Exchange Act and Rule 10b-5

Against All Defendants

40. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

41. This Count is asserted against the Company and the Individual Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

42. During the Class Period, the Company and the Individual Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

43. The Company and the Individual Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they: employed devices, schemes and artifices to defraud; made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in acts, practices and a course of business that operated as a fraud or deceit upon Plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

44. The Company and the Individual Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. Defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

45. Individual Defendants, who are the senior officers and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above,

1 and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with
2 reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements
3 made by them or other personnel of the Company to members of the investing public, including
4 Plaintiff and the Class.

5 46. As a result of the foregoing, the market price of the Company's securities was artificially
6 inflated during the Class Period. In ignorance of the falsity of the Company's and the Individual
7 Defendants' statements, Plaintiff and the other members of the Class relied on the statements described
8 above and/or the integrity of the market price of the Company's securities during the Class Period in
9 purchasing the Company's securities at prices that were artificially inflated, as a result of the
10 Company's and the Individual Defendants' false and misleading statements.

11 47. Had Plaintiff and the other members of the Class been aware that the market price of the
12 Company's securities had been artificially and falsely inflated by the Company's and the Individual
13 Defendants' misleading statements and by the material adverse information which the Company and
14 the Individual Defendants did not disclose, they would not have purchased the Company's securities at
the artificially inflated prices that they did, or at all.

15 48. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the
16 Class have suffered damages in an amount to be established at trial.

17 49. By reason of the foregoing, the Company and the Individual Defendants have violated
18 Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the Plaintiff and
19 the other members of the Class for substantial damages which they suffered in connection with their
20 purchases of the Company's securities during the Class Period.

21 COUNT II

22 Violation of Section 20(a) of The Exchange Act

23 Against the Individual Defendants

24 50. Plaintiff repeats and realleges each and every allegation contained in the foregoing
paragraphs as if fully set forth herein.

25 51. During the Class Period, the Individual Defendants participated in the operation and
26 management of the Company, and conducted and participated, directly and indirectly, in the conduct of
27 the Company's business affairs. Because of their senior positions, they knew the adverse non-public
28 information regarding the Company's business practices.

1 52. As officers and/or directors of a publicly owned company, the Individual Defendants
2 had a duty to disseminate accurate and truthful information with respect to the Company's financial
3 condition and results of operations, and to correct promptly any public statements issued by the
4 Company which were materially false or misleading.

5 53. Because of their positions of control and authority as senior officers, the Individual
6 Defendants were able to, and did, control the contents of the various reports, press releases and public
7 filings which the Company disseminated in the marketplace during the Class Period. Throughout the
8 Class Period, the Individual Defendants exercised their power and authority to cause the Company to
9 engage in the wrongful acts complained of herein. The Individual Defendants therefore, were
10 "controlling persons" of the Company within the meaning of Section 20(a) of the Exchange Act. In this
11 capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of
the Company's securities.

12 54. Each of the Individual Defendants, therefore, acted as a controlling person of the
13 Company. By reason of their senior management positions and/or being directors of the Company, each
14 of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, the
15 Company to engage in the unlawful acts and conduct complained of herein. Each of the Individual
16 Defendants exercised control over the general operations of the Company and possessed the power to
17 control the specific activities which comprise the primary violations about which Plaintiff and the other
members of the Class complain.

18 55. By reason of the above conduct, the Individual Defendants are liable pursuant to Section
19 20(a) of the Exchange Act for the violations committed by the Company.

20 PRAYER FOR RELIEF

21 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

22 A. Determining that the instant action may be maintained as a class action under Rule 23 of the
23 Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

24 B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the
25 acts and transactions alleged herein;

26 C. Awarding Plaintiff and the other members of the Class prejudgment and postjudgment
27 interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

28 D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: June 11, 2018

Respectfully Submitted,

LEVERTY & ASSOCIATES LAW CHTD.

Patrick Leverty

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Counsel for Plaintiff

7. I have not served as a representative party on behalf of a class under the federal securities laws during the last three years, except if detailed below:

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 11th day of June, 2018.

Signature: 

Name: Mac Costas

Address:



Phone:

E-mail: